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Annex to the

**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE
EUROPEAN PARLIAMENT**

Evaluation of EU Policies on Freedom, Security and Justice

{COM(2006) 332 final}

IMPACT ASSESSMENT

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Executive Summary

Five options for a mechanism for evaluation of FSJ policies are here considered:

Option 1: No EU action (No mechanism would be proposed).

Option 2: Provision of an analytical/methodological framework for evaluation of FSJ policies.

Option 3: Focus on implementation/transposition of FSJ acquis (no evaluation).

Option 4: Develop policy evaluation, building on current monitoring experience. This would entail setting up a mechanism to monitor implementation of FSJ policies and to evaluate the effects of policies (evaluation).

Option 5: Develop an open method of coordination, building on current monitoring experience.

This impact assessment concludes that option 4 is the only choice which fulfils the mandate given in the Hague Action Plan (excludes option 1 and 2), enhances the current evaluation system (excludes option 3) and is at the same time realistic (excludes option 5). Adding to this, the Commission believes that the administrative burden on Member States will be fairly limited.

1. PURPOSE OF THE IMPACT ASSESSMENT

The Impact Assessment of the Communication on evaluation of EU policies on Freedom, Security and Justice (FSJ) serves several purposes:

- First, it demonstrates the Commission's openness to input from a wide range of stakeholders (Chapter 2) and, hence, its commitment to transparency.
- Second, it will help to explain the reasons for such a system of evaluation and why it should be set up at EU level (Chapters 3 and 4).
- Third, it sets out, analyses and compares the different policy options available, including the "no action" option (Chapter 5).
- Fourth, it assesses the possible social, economic and, to a lesser extent, environmental impact of the proposed system (Chapter 6).
- Finally, it deals with monitoring and evaluation (Chapter 7).

2. STAKEHOLDERS' CONSULTATION AND EXPERTISE

2.1. Consultation

This section focuses on the coming consultation on the proposed mechanism. Prior to the drafting of the present Communication and its impact assessment, no formal consultation has taken place, except for the interservice consultation (DG JLS D/4968) within the Commission.

Formulation of an evaluation mechanism for FSJ policies will be based on wide consultation with all relevant stakeholders. The Commission's Communication is intended as the starting point of such a consultation process, which will provide input for actually setting up the mechanism. In this context, a major hearing with a wide range of stakeholders will be held in October 2006 (see point 2.1.2). Consultations will also continue until the first evaluation exercise takes place. The Communication also builds on extensive work carried out by external experts on behalf of the Commission, which included informal consultation of some key stakeholders (see below).

2.1.1. Stakeholders' consultation and involvement

The first stakeholders in the evaluation system are **EU institutions and Member States**. On the one hand, they have to provide the inputs for the system and, on the other, they are the primary beneficiaries of the outputs. The Member States and the Council, taking into account their prerogatives and their role in the process, were consulted informally on some aspects of drafting the Communication; in particular, views were exchanged on evaluation with a sample of Justice and Home Affairs Counsellors in Brussels-based Permanent Representations in the context of the expert study mentioned above.

Setting up an evaluation mechanism for FSJ policies is a gradual process. The Committee of the Regions, the European Economic and Social Committee and various agencies, such as the Fundamental Rights Agency, the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) and the External Borders Agency, will be consulted on and involved in development of the mechanism. The agencies' data collection and statistics work will play an important role in the future evaluation mechanism.

The private sector will be involved in this context, notably within the framework of the Action Plan on Public/Private Partnerships to protect public organisations and private companies in particular from organised crime, to be published by the Commission later this year.

Besides the abovementioned hearing, the Commission also intends to present this Communication in different venues, to gather expert opinion on the proposed mechanism. The annual conference of the European Evaluation Society will be one such forum. Feedback from evaluation specialists will enable the Commission to fine-tune the mechanism.

Work in this area will have to conform to general Commission policy on evaluation, taking into account in particular the forthcoming general Commission Communication on Evaluation.

2.1.2. Forthcoming hearing

The hearing is intended to be a valuable addition to the Communication on the "Evaluation of EU Policies on Freedom, Security and Justice". It has three main goals:

1. to communicate with and involve civil society in the objective evaluation of FSJ policy;
2. to have a broader discussion and debate on the evaluation mechanism and method;
3. to have a detailed discussion, by policy area, on the individual factsheets that make up the instrument.

The Conference is planned for the end of October 2006, and between 100 and 150 participants are expected from:

- Member States (representatives and experts);
- international organisations and EU Agencies;
- civil society, e.g. NGOs, professional organisations, academia, etc.

2.2. Expertise

In preparation for the release of a Communication on Evaluation, the Commission tendered out the drafting of an analytical framework for the evaluation of policies and legislation in 2003, and then application of the framework to two policy areas in 2004. Building on the results of these studies, further expert support with the design of the evaluation mechanism was enlisted at the end of 2005, focusing specifically on the technicalities of the mechanism (indicators, data collection methods, data sources, etc.).

The initial preparatory study concluded that the policy area of freedom, security and justice is “characterised by complex and ambitious policy goals, varied institutional arrangements at European and Member State level, mixed models of decision-making and compliance which poses particular difficulties for evaluation.” The study added that “no single global evaluation will be able to capture the full complexity of this and similar policy areas”, therefore requiring a broader approach to evaluation, responding to various questions and criteria in order to create an effective evaluation mechanism. In such a political environment, stakeholders, including institutions and Member States, have numerous and varied expectations and priorities. The study recommends consultation with stakeholders to identify satisfactory evaluation objectives. Active involvement of the stakeholders is encouraged at all stages of the evaluation, particularly at the reporting stage.

3. DEFINITION OF THE ISSUE AND THE UNION’S COMPETENCE TO ACT

3.1. Definition of evaluation

A distinction must be drawn from the outset between the principles of monitoring implementation and of evaluation. Monitoring implementation consists of reviewing progress towards implementing policies. On the other hand, the Communication on Evaluation presented by the Commission in 2000¹ defines evaluation as a “*judgement of interventions (public actions) according to their results, impacts and the needs they aim to satisfy*”. The main role of evaluation is to provide policy-makers with input about the effectiveness and impact of activities planned.

The Commission interprets the evaluation of implementation of policies referred to in the Hague Action Plan as a mechanism evaluating the concrete results of FSJ policies. Evaluation is wider than monitoring implementation of policies and includes studying the consequences of implementation, as clearly outlined in box 1 in the Communication.

¹ Communication on Evaluation - SEC(2000) 1051:
http://europa.eu.int/comm/budget/evaluation/keydocuments_en.htm.

The concept of evaluation of implementation therefore encompasses both monitoring implementation itself and evaluating the results of the measures taken. The Communication has been built around this basic distinction which, in the Commission's view, should allow better evaluation and a general understanding of the quantity and quality of results achieved on freedom, security and justice.

The Hague programme strikes a balance between the efficiency in the fight against terrorism and organised crime more generally on the one hand, and the respect and the active promotion of the fundamental rights on the other hand. Therefore, the annual evaluation by the Commission of the implementation of this programme should also assess whether this balance has been respected.

3.2. The need to act

Four compelling reasons can be given to set up a comprehensive evaluation mechanism on FSJ:

First, existing **monitoring and evaluation mechanisms are fragmented and incomplete**. Annex 2 to the Communication gives an overview of the evaluation system in place and illustrates this point. The current system features: numerous peer reviews, discrepancies between the first and the third pillar, and the need to add to the scoreboard exercise. Although the proposed mechanism does not replace the existing mechanisms, it completes them and allow for a comprehensive and synthetic overview of the outcomes of these mechanisms.

Second, there is a need to transmit extensive **information** to all stakeholders on implementation and the results of policies. Transparency is becoming a more and more important part of good governance. The evaluation mechanism could be made more visible.

Third, as the "*acquis*" enters into force, increased emphasis must be put on monitoring implementation of FSJ policies and assessing their effectiveness. This is essential in order to secure the added value of Union action and to provide adequate feed-back to policy-making.

Last but not least, the **Action Plan** implementing the Hague Programme gives the Commission a mandate to set out how to develop an evaluation mechanism at EU level.

The Hague Programme states that "*evaluation of the implementation as well as of the effects of all measures is, in the European Council's opinion, essential to the effectiveness of Union action*". Accordingly, the Action Plan implementing the Hague Programme, which sets out a framework for EU activities over the next five years, proposes various measures in this field. In particular, it provides for the adoption, in 2006, of a general Communication from the Commission on how to develop an evaluation mechanism at EU level. The aim of this mechanism would be, *inter alia*, to reflect the objectives set in Article III-260 of the Treaty establishing a Constitution for Europe². The Action Plan also calls for a Communication on the systematic, objective and impartial evaluation of the implementation of EU policies in the

² OJ C 310, 16.12.2004, p. 1. Article III-260 stipulates that "the Council may, on a proposal from the Commission, adopt European regulations or decisions laying down the arrangements whereby Member States, in collaboration with the Commission, conduct objective and impartial evaluation of the implementation of the Union policies referred to in this Chapter by Member States' authorities, in particular in order to facilitate full application of the principle of mutual recognition".

field of justice, with a view to reinforcing mutual trust while fully respecting the independence of the judiciary.

3.3. The subsidiarity test

Such an evaluation mechanism can only be proposed at EU level since it envisages comprehensive consolidation of the information gathered at national level. The EU would play a coordinating role here in the field of FSJ and is the only level where this coordination and consolidation can take place most effectively.

Moreover, preparatory studies and initial interviews with Member States' representatives have demonstrated that there is little experience with EU policy evaluation at national level. The only (limited) experience to date with FSJ is the Council's peer review process, an exercise which has been used to evaluate third pillar policies on mutual legal assistance in criminal matters, the role of law enforcement in fighting drug trafficking and exchanges of information and intelligence between Europol and the Member States. This process has examined how the national systems and the exchanges of best practice work.

There is also the issue of independence and capacity for objective analysis. The peer review mechanism can be a highly politicised exercise and Member States are reluctant to criticise each other. Being in a more objective position and having the expertise, the Commission is at a vantage position to analyse and consolidate the data gathered at national level.

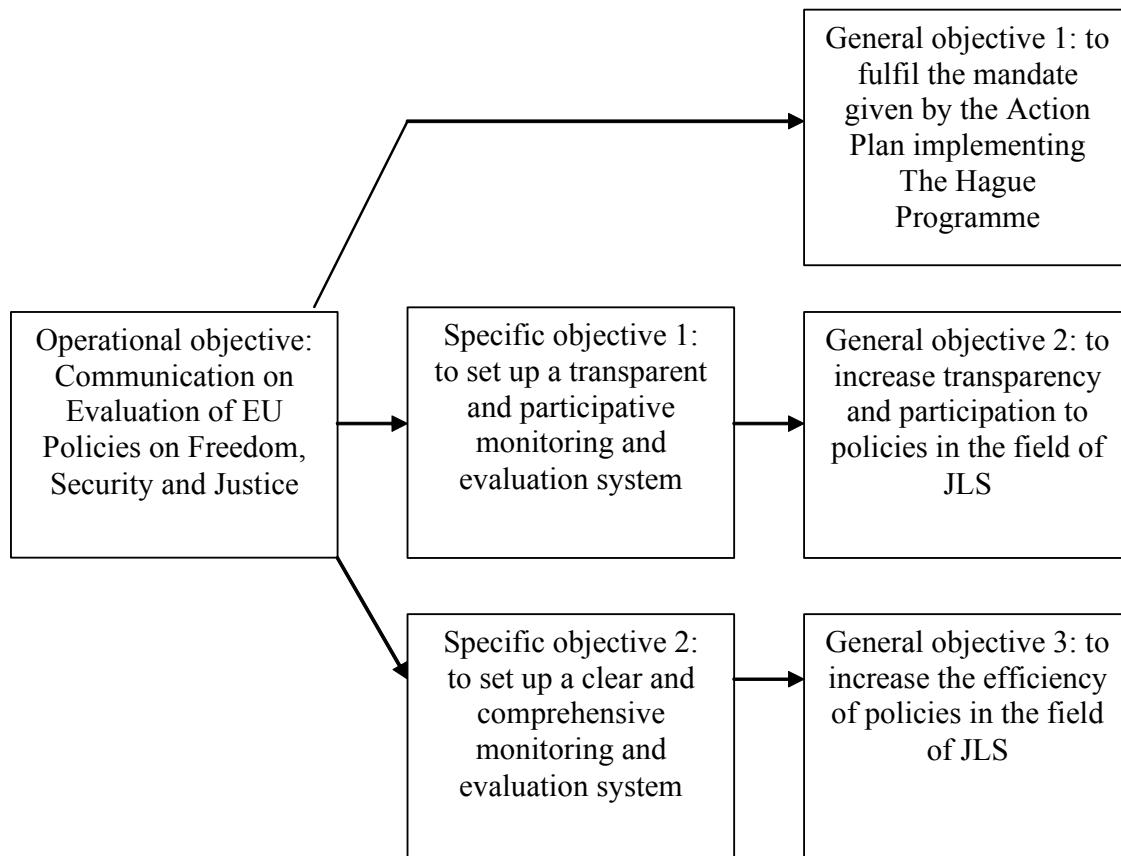
4. OBJECTIVES

4.1. Defining the objectives

The objectives mirror the issues identified in section 3.2.

- First, the Communication should enable the Commission to fulfil the mandate given by the Action Plan implementing the Hague Programme.
- Second, the Communication should put in place a clear and comprehensive monitoring and evaluation system. The existing mechanisms are fragmented and incomplete. The Communication should, however, take into account various constraints: (a) the institutional and political differences between the first and third pillars; (b) evaluation mechanisms are more advanced in some areas than in others; (c) evaluation of FSJ is complex, multilayered and highly diverse.
- Third, another objective is greater transparency and wider participation regarding the implementation and results of the policies.

Rationale for intervention, according to the Communication on evaluation



4.2. Consistency of the objectives with other EU policies and strategies

The proposed evaluation mechanism will have little impact on other EU policies and strategies. It could serve as a test case for similar kinds of evaluation mechanisms in other areas.

The mechanism takes into account all evaluation systems and processes on FSJ³. It is also consistent with the forthcoming Communication on the evaluation of justice. As regards other areas of EU policy, informal consultations have been held to ensure that the proposed mechanism is in line with the Commission's current policy on evaluation and with forthcoming guidance on this matter⁴. For example, the concepts and definitions are in line, the objectives are the same. The Communication aims at making evaluation in the field of FJS more useful and used. This is the more general objective of the Commission in the field of evaluation.

³ An overview is annexed to the Communication.

⁴ A Communication on the Commission's evaluation framework is under preparation.

5. POLICY OPTIONS

Five options for a mechanism for evaluation of FSJ policies should be considered:

5.1. Option 1: No EU action

No mechanism would be proposed. This assumes that the current system for evaluation of FSJ policies is satisfactory and that any new mechanism would create an unnecessary burden. This option has been discarded for the reasons given in section 3.2 (need to act).

PROS	CONS
No additional cost or administrative burden.	Would not fulfil the mandate given by the Hague Action Plan, which calls for the adoption, in 2006, of a general Communication from the Commission setting out how to develop an evaluation mechanism at EU level.
	The results and findings of previous studies on the fragmentation of current practices (especially “Preparatory study of policies and legislation – Development of an analytical framework”) would remain without an adequate response.
	No improvement of the current system of evaluation of FSJ policies.

5.2. Option 2: Provision of an analytical/methodological framework

This option would take the form of a Communication providing a methodological framework for evaluation of FSJ policies. It would introduce no new mechanism. Its sole aim would be to give guidelines for evaluation of FSJ policies, taking into account their specific features. The question of monitoring implementation would be left aside.

PROS	CONS
A Communication about the analytical framework to develop evaluation of FSJ policies would hardly change the current situation and would therefore not be politically challenged.	Such a Communication would be little ambitious and bring limited improvement to the current system of evaluation of FSJ policies.
Such a Communication would use the results and findings of previous studies (especially “Preparatory study of policies and legislation – Development of an analytical framework”).	Such a Communication might duplicate the work and recommendations of the planned Communication on evaluation (DG BUDG).
	Experience in the field of evaluation is still

	developing. The timing might not be right for such a Communication if the practical experience is lacking.
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5.3. Option 3: Focus on implementation/transposition of FSJ *acquis*

The mechanism would focus on simple monitoring of implementation, as opposed to evaluation (far-reaching and covering mid-term results and impact). It would set up a system for monitoring implementation of EU measures on freedom, security and justice. Part of the mandate given by the Hague Action Plan⁵ would be fulfilled since only the “effects of all measures” would not be evaluated. Moreover, the concept of “evaluation”, as currently understood in the Commission, would be left aside.

PROS	CONS
This would draw on experience with mutual evaluations and with reports on transposition of Directives and Framework Decisions. It could be linked to the development of capacity for dealing with infringements.	Such a Communication would only partly fulfil the mandate given by the Hague Action Plan.
	This would be monitoring and not really evaluation as generally understood – the judgement of a measure. Therefore, it would be no improvement on the current system of evaluation of FSJ policies.
	This would not act upon the results and findings of previous studies (especially “Preparatory study of policies and legislation – Development of an analytical framework”).
	Such a mechanism would be very close to the on-going development of the scoreboard. There would be a risk of work being duplicated.

5.4. Option 4: Develop policy evaluation, building on current monitoring experience

This would entail setting up a mechanism to monitor implementation of FSJ policies and to evaluate the effects of policies (evaluation). It follows the mandate given in the Hague Programme for “*evaluation of the implementation as well as of the effects of all measures*”. Moreover, it provides a comprehensive package since evaluating the implementation and the outcomes of policies are complementary.

A coherent and comprehensive package built around two pillars would be proposed:

⁵ The Hague Programme states that “*evaluation of the implementation as well as of the effects of all measures is, in the European Council's opinion, essential to the effectiveness of Union action*”.

- the Hague scoreboard: monitoring implementation of FSJ policies in the future;
- a three-step progressive strategic evaluation mechanism for FSJ:
 - (1) First, it provides for setting up a system for information gathering and sharing, covering the policy objectives and the main instruments for each area.
 - (2) Second, it would include a review mechanism, presenting the results of the analysis and consolidating the information.
 - (3) Third, the mechanism would be completed by targeted evaluations of particular policy areas or instruments, where necessary.

Methodological questions on evaluation could be dealt with but only if they are related to the proposed mechanism.

PROS	CONS
Such a mechanism would bring significant improvements to the current system of evaluation of FSJ policies.	It is very ambitious in the timeframe available – risk of non-delivery.
It would use and act upon the results and findings of previous studies (especially “Preparatory study of policies and legislation – Development of an analytical framework”).	It could create an administrative burden for Member States.
It would fulfil the mandate given by the Hague Action Plan, encompassing both evaluation and monitoring of implementation.	

5.5. Option 5: Develop an open method of coordination, building on current monitoring experience

Open coordination is a process of mutual feedback for planning, examining, comparing and adjusting the policies of EU Member States, all on the basis of common objectives. The effectiveness of the process depends on developing common indicators, benchmarks and targets, accompanied by peer reviews and exchanges of good practices, in order to facilitate mutual learning and monitor progress towards agreed goals.

Examples of areas where the open method of coordination (OMC) has been used in the EU include:

- employment (annual national action plans and guidelines for the European employment strategy and the broad economic policy guidelines) and social exclusion;
- education (common objectives, voluntary harmonisation or interoperability of tertiary degree structures, also known as the Bologna Process);

- research and enterprise (“Lisbon Strategy”: research & development/innovation, information society, enterprise policy (annual scorecards)).

Whereas in option 5.4 the evaluation mechanism assesses the effectiveness of the European action (although implemented in and by the Member States), in option 5.5 the Member States’ policies are targeted. In an OMC⁶ Member States would draft national policy plans and submit them to the Commission, which would then review them against a common strategy. Such a mechanism appears politically - in the current situation - very difficult if not impossible to put in place. Policies in the field of FSJ are often linked with national sovereignty. This implies first, that the MS will not agree with a feedback from other MS on their policies in the field. This also means that common objectives or guidelines will be difficult to establish. Last, confidentiality of information could be an additional issue.

Also, the OMC is more intergovernmental than the traditional “Community method” of policy-making in the EU. Because it is a decentralised approach implemented largely by the Member States and supervised by the Council of the European Union, the European Commission plays a primarily monitoring role and the involvement of the European Parliament and the European Court of Justice is very weak indeed.

PROS	CONS
Such a mechanism would use and act upon the results and findings of previous studies (especially “Preparatory study of policies and legislation – Development of an analytical framework”).	OMC mechanisms are very ambitious and difficult to put in place. There are serious doubts about the feasibility of such a system at the moment.
It would be very ambitious and, to a certain extent, fulfil the mandate given by the Hague Action Plan.	It would bring significant improvements to the current system of evaluation of FSJ policies at Member State level but not at EU level. For this reason, the mandate given by the Hague Action Plan would not be completely fulfilled.
	Such a Communication is very ambitious in the timeframe available.
	OMC mechanisms are intergovernmental and different from the Community method.

5.6. Comparing the policy options

In terms of economic, social and environmental impact, there is little difference between the options. The main differences between them are the scale of the positive effects, the

⁶ Generally, the OMC works in stages. First, the Council of Ministers agrees on policy goals. then the Member States convert the guidelines into national and regional policies. Next, specific benchmarks and indicators are agreed upon to measure best practice. Finally, results are monitored and evaluated. However, the OMC differs significantly across the policy areas to which it has been applied: reporting periods may be shorter or longer, guidelines may be set at the EU or Member State level and enforcement mechanisms may be harder or softer.

administrative burden and the political implications. The table set out below analyses these differences.

Option 4 is the only choice which fulfils the mandate given in the Hague Action Plan, enhances the current evaluation system and is at the same time realistic. The Commission believes that the administrative burden will be fairly limited. It is the best solution, according to the analysis matrix set out below.

Summary of the different options

	Criterion 1: fulfil the mandate given in the Hague Action Plan (0-5)	Criterion 2: propose an effective and comprehensive evaluation system (0-5)	Criterion 3: limit the administrative burden (0-5)	Criterion 4: be politically realistic (0-5)	Total (0-20)
Option 1: No mechanism	0	0	5	0	5
Option 2: Provision of an analytical/methodological framework	0	2	4	1	7
Option 3: Focus on implementation/transposition of FSJ <i>acquis</i>	3	1	3	4	11
Option 4: Develop policy evaluation	5	4	3	5	17
Option 5: Develop open method of coordination	3	4	2	0	9

Criterion 1: To fulfil the mandate given in the The Hague Action Plan which provides for the adoption, in 2006, of a general Communication from the Commission on how to develop an evaluation mechanism at EU level.

Criterion 2: To propose an effective and comprehensive evaluation system. Focusing on the analytical/methodological framework or the implementation/transposition of FSJ *acquis* would result in a too partial system.

Criterion 3: To limit the administrative burden. The administrative burden mainly comes from the additional (although limited) workload for EU institutions and MS that will result from the mechanism. Systems of monitoring and evaluations because they imply the designation of contact points and a process for information gathering and sharing would generate a

reasonable but not negligible additional cost (see estimation under). OMC (option 5) is a bit more resources consuming.

Criterion 4: To be politically realistic. Whilst the Commission proposal should be ambitious, it should be acceptable. A solution like an OMC would have little chance to be agreed on and is badly graded here.

We used the following grid (out of 5):

0: irrelevant proposal for this criterion

1: very bad

2: bad

3: neutral / average

4: good

5: very good

6. FURTHER ANALYSIS OF THE IMPACT OF THE PREFERRED MECHANISM

6.1. Social impact

Direct impact

This mechanism for policy evaluation will have a positive direct impact on society through enhanced transparency and hence governance. The proposed mechanism will make it possible to transmit more information to all the stakeholders on implementation and the results of the policies.

Indirect impact

Improved FSJ policies will have an indirect positive impact on society.

A climate of instability and insecurity has perverse effects on society as a whole. The autumn 2003 Eurobarometer survey found that almost nine out of ten citizens polled think that fighting organised crime, terrorism and drug trafficking should be priorities for the European Union and a large majority of them consider that the measures to prevent and fight these threats should be decided and carried out jointly. Specific forms of crime, such as drug addiction and trafficking in human beings, are sources of acute human suffering and can lead to social problems. Today no data suggest any significant fall in drug use and there are an estimated 1.5 million problem users in the European Union (EU). Second, terrorism wreaks immediate suffering on its direct victims, but also creates a widespread feeling of fear and terror which could destabilise society as a whole. Third, the spread of organised crime undermines the fabric of society and, ultimately, the rule of law, trust in institutions and States. Finally, corruption has a strong negative influence on governance and levels of social cohesion. The phenomenon takes many forms, from active infiltration of law enforcement bodies by organised crime to petty corruption by individuals and abuse by individuals holding positions of power for the purpose of personal enrichment. One sign that corruption remains

an important policy issue for Member States is that on the 2004 Perceptions Index compiled by the NGO Transparency International they rank from 1st to 67th out of the 146 countries surveyed.

In the fields of immigration and asylum, a well managed and credible migration policy backed up by efficient integration measures is aiming at preventing a potential increase of racism and xenophobia. According to the 2003 Eurobarometer survey, 60 % of the respondents in EU-15 expressed the view that multiculturalism had certain limits, an opinion that has increased since 1997.

6.2. Environmental impact

Direct impact

This mechanism will have no direct environmental impact.

Indirect impact

Action to create an Area of Freedom, Justice and Security can have positive consequences for the environment which constitutes the third pillar of sustainable development. First, the European Commission is aiming to protect the environment under criminal law and establishing police, criminal justice and administrative cooperation between Member States to combat serious environmental offences. Second, nuclear, bacteriological and chemical vectors – which pose a threat to the environment – are linked to organised crime. They can constitute a weapon in themselves and be a source of financing. Third, monitoring and exchanges of best practices at European level to protect critical infrastructure against major threats could enable the EU to avoid environmental disasters.

Therefore, by ensuring that the Commission action is more efficient and better implemented by the Member States, this mechanism could have a positive indirect impact on the environment.

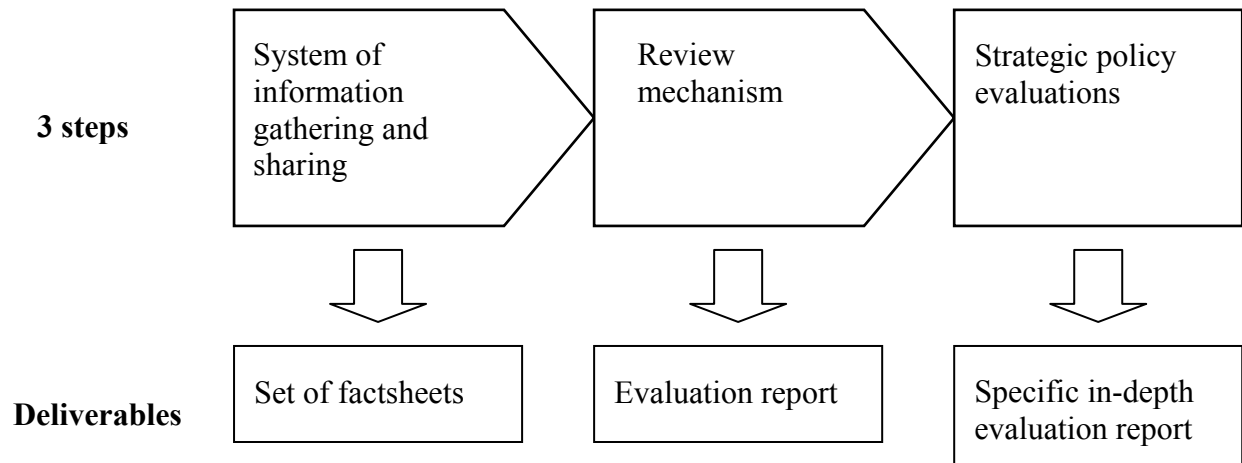
6.3. Economic impact

Direct impact

The negative economic impact of this mechanism is the administrative cost to the institutions and the Member States. Provision of information by other stakeholders will be done on a voluntary basis and therefore there will be no additional cost for the involved organisations nor for the citizens.

Estimating the administrative cost of the proposed mechanism

First the cost of each step of the proposed mechanism must be calculated before adding these costs up.



For **step 1**, the resources necessary to fill in a factsheet (R) can be estimated and then this figure can be multiplied by the number of factsheets (NF) and the number of countries (NC) to give C1 as the cost for step 1.

$$C1 = R \times NF \times NC,$$

where:

R = Resources needed to fill in one factsheet (= 10 person-days or p-d)

NF = 6,

NC = 25.

Therefore:

$$C1 = 1500 \text{ p-d}$$

Training costs of the staff have not been included for two reasons. First, the part of the mechanism which implies knowledge in the field of evaluation will not be dealt with by Member States. The officials in the Member States will be addressed together with the factsheets detailed information on how to fill them in. Second, training on evaluation is currently provided by the Commission (and the Member States). The mechanism will therefore not imply additional cost on this side.

For **step 2**, the cost of preparing the “evaluation report” at Commission level can be estimated as follows:

$$C2 = R1 + R2 \text{ (cost for step 2),}$$

where:

R1 = Resources needed to write the report (= 20 person-days),

R2 = Resources needed to coordinate gathering of the factsheets (= 10 person-days),

Hence, $C2 = 30$ p-d.

The cost of **step 3** depends on the number of in-depth evaluations carried out. The peer review team in the Council Secretariat-General will be taken as a reference point. Four national experts were needed for two years to complete the first round of evaluation. Another possibility would be to outsource the studies.

$C3 = 4 \times 200 = 800$ p-d.

The total annual cost envisaged is therefore:

$C = C1 + C2 + C3$

$C = 2\,330$ p-d.

Note 1: It is important to assess the net administrative costs (new costs imposed by an act minus costs saved by the same act whether at EU or at Member State level). In the absence of the evaluation mechanism, several reporting and evaluation systems would remain in place and generate costs for the Member States and the European institutions. By combining different evaluation mechanisms into a single one, the proposed framework will also avoid cost duplication. Assessing these savings are currently difficult since we have little information on the systems in place in the Member States.

Note 2: This estimate has been made on a yearly basis. The information gathering and evaluation report exercise would take place twice every five years. The resources available for each exercise are therefore 2.5 times those for one year. For example: R1 (writing the report) is expected to take an estimated 50 person-days.

	Information gathering	Evaluation report	Specific evaluations
Implication at Commission level	Additional human resources will be needed to coordinate the factsheets exercise.	Additional human resources will be needed to draft the evaluation report.	Additional financial resources will be needed to carry out the additional studies.
Implication at Member State level	Designation of a contact point to coordinate the factsheets exercise.	-	-

The Commission staff working document “Annex to the Communication on Better Regulation for Growth and Jobs in the European Union: Minimising administrative costs imposed by legislation - Detailed outline of a possible EU Net Administrative Cost Model” [COM(2005) 97] states that:

“It is also necessary to recognise the benefits of reporting and information obligations of EU legislation. Without the resulting data streams for public authorities and companies, enforcement and implementation will be severely restricted to the detriment of economic, social and environmental objectives. It is therefore a question of ensuring a proper balance where reporting and information costs are proportionate to the benefits they bring.”

The evaluation mechanism proposed strikes the right balance between administrative costs and the benefits offered.

Indirect impact

Following the reasoning set out above, this policy evaluation mechanism will have a positive indirect economic impact.

Insecurity entails high costs, not only to those areas directly affected, but also for the whole economy, given for example the effects on the stability of the stock markets, consumer and investor confidence, etc. Data on the macroeconomic effects of the terrorist attacks on 11 September 2001 corroborate this view.

Critical infrastructure is particularly vulnerable, whether production plants, such as power stations, chemical works or pharmaceutical laboratories housing deadly viruses, or transport, energy and telecommunication networks, especially those which cross national borders. Civil protection is a European concern.

Another concern is the rise in organised crime. According to Europol, the number of criminal gangs rose to around 4 000 in 2002, from around 3 000 in 2001. Moreover, the financial resources of organised crime are increasing dramatically, with the International Monetary Fund estimating the profits at between 2 and 5 % of Europe's total gross domestic product.

Also, while insecurity threatens the European economy, the pursuit of security not only protects companies and citizens' jobs but also can contribute to enhancing internal and external competitiveness and speeding up economic growth. Moreover, the fight against all forms of crime has a positive impact on economic development. Measures which have a direct economic impact include action to combat financial crime, such as fraud and money laundering, relate directly to creating more opportunities for business to compete on a level playing field and ensure a robust financial system across the EU. This also encompasses efforts to combat terrorist financing. Work on counterfeiting and piracy has an immediate impact on the bottom line of the branches of industry worst hit by such crimes. The fight against corruption has a positive indirect impact on both the public sector (through public procurement, for example) and the private sector.

7. MONITORING AND EVALUATION

The evaluation mechanism will be set up progressively. Progress could be monitored through the following set of indicators:

- Qualitative
 - Quality of the factsheets;
 - Clarity of the factsheets;

- Quality of the report;
- Quality of the scoreboard;
- Clarity of the scoreboard.

– Quantitative

- Number of factsheets gathered;
- Cost per factsheet (man days);
- Number of evaluation reports issued;
- Number of in-depth evaluations.

Monitoring and evaluation of the system will be defined when the system is put in place. The system itself will monitor its own indirect impact. A review is envisaged after five years in operation, when the results of the mechanism in terms of the actual impact on FSJ policy-making will be taken into account.